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C O N F I D E N T I A L PANAMA 001197

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TAGS: [PREL](#) [PGOV](#) [SNAR](#) [KCRM](#) [PM](#)
SUBJECT: PANAMA POST: EDITION V

REF: PANAMA 1143 (AND PREVIOUS)

Classified By: POLCOUNS Brian R. Naranjo. Reason: 1.4 (b) and (d)

Summary

¶1. (C) In this week's edition, the Panama Post takes a look at the internal workings of the governing Revolutionary Democratic Party (PRD) and the Patriotic Union (UP) party. Also, the Panama Post reports that the Technical Judicial Police (PTJ) reform effort is on hold and that its newly appointed director has only a limited time to show progress weeding corruption out of the PTJ's ranks and fighting major crimes. Finally, one senior GOP official concedes that Panama's RCTV statement was the price Panama paid to avoid a Chavez visit. Also, the visit of Cuban National Assembly President Ricardo Alarcon demonstrates that the Comfort visit got under Cuba's skin. The following is a summary of our headlines:

- Governing Revolutionary Democratic Party (PRD) National Assembly Majority Leader handicaps the race for National Assembly President;
- Governing PRD National Assembly Majority Leader says PRD "is a big mess;"
- Former President Ernesto "El Toro" Perez Balladares may be soliciting campaign donations by promising lucrative construction contracts
- Former VP Billy Ford discusses internal Patriotic Union (UP) party dynamics;
- Newly appointed interim Technical Judicial Police (PTJ) Director Jose Ayu Prado has six months to clean house;
- Presidential foreign policy advisor agrees Panama's RCTV statement intended to keep Chavez away from the OASGA; and
- Cuban National Assembly President Ricardo Alarcon huddles with Panamanian National Assembly President Elias Castillo to discuss response to Comfort visit.

End summary.

Nat'l Assembly Majority Ldr: Race for Assembly President

¶2. (C) PRD National Assembly Majority Leader Leandro Avila visited July 9 to the Panama Post about his frustrations with President Martin Torrijos, both as PRD Secretary General and

President of Panama. "He is a dictator, the way he wants to be. We cannot even blame the people around him; he is the one making the decisions," Avila said, complaining about Torrijos' ignoring the National Assembly. Avila said he became even more upset because of Torrijos' effort to secure a third term as National Assembly President for Elias Castillo. "There are forty-two PRD deputies. Can't Torrijos find another suitable National Assembly President? Why Castillo again?" Avila then shared that PRD deputies, with Castillo in the room, three times voted down a proposal to change the National Assembly's internal by-laws to allow for Castillo's re-election. Other candidates for National Assembly President included: Hector Aleman, Pedro Miguel Gonzalez, Raul Rodriguez, and Ruben de Leon. Avila asserted that Aleman had been told by Torrijos to take a walk and said de Leon was recovering from a kidney transplant and so was not being seriously considered. Gonzalez had grown close to Torrijos and had a better shot at the position than Rodriguez, Avila assessed.

13. (C) Comment: Pedro Miguel Gonzalez is wanted in the U.S. for the 1992 murder of U.S. serviceman Zak Hernandez and is ineligible for a U.S. visa for terrorist activity. Current, National Assembly President Elias Castillo has sought a meeting with POLCOUNS to discuss his replacement, but was busy with visits to Quito and Havana. Post has been putting the word out on the street that Panama should think twice about putting a terrorist at the head of the National Assembly. Avila asserted that Gonzalez has been telling deputies that, should he be elected National Assembly President, he would be able "to smooth over his problems with the U.S.," a false assertion post is working to shoot down.

PRD Nat'l Assembly Majority Ldr: PRD in "big mess"

14. (C) "The party is in a big mess, a big, big mess," PRD National Assembly Majority Leader Leandro Avila told the Panama Post July 9. "We are lucky that the opposition is so disorganized and split that we will win in 2009, but who will be our (presidential) candidate?" Panama City Mayor Juan Carlos Navarro "is more fake than a three dollar bill," Avila said. Minister of Housing "Balbina Herrera, however," Avila said, "would be our best choice if (First VP and FM) Samuel Lewis does not do better; I doubt he will. At least she is a party person and is not ungrateful like Martin Torrijos." Regarding recent reports of the PRD's impressive membership drive, Avila said that the Electoral Tribunal (TE) would find a large number of duplicate registrations. "I saw people registering that had been registered with the PRD for years," Avila explained. Avila also confirmed rumors that the TE was pressing the PRD to hold its internal elections in 2007. "They have been talking about internal elections on Sunday, December 16. December 16!?! For God's sake, who has political party events in December?" Avila vented. Only party zealots would participate. "That means there will be a lot of buying of votes. A lot of money is going to go around."

15. (C) Comment: Normally, the PRD is a hermetically sealed party. Highly disciplined, PRD loyalists are generally loath to shed much light on the party's internal dynamics and deliberations. The fact that it is becoming easier to find PRD members willing to blab about the party is the best indicator that there is a heightened degree of turmoil in the party.

El Toro Solicits Campaign Funds With Contract Promises?

16. (C) Former President Ernesto "El Toro" Perez Balladares was soliciting campaign donations -- USD 2,500 per month -- by promising lucrative contracts to donors, a contact of Sedrick Hodgins told the Panama Post. Ostensibly, Perez Balladares wished to assemble a group of 10 to 20 businessmen who would ensure a steady cash flow for the former

president's 2009 presidential campaign. Hodgins apparently was actively trying to recruit the Panama Post's contact as a contributor. Comment: The Panama Post can neither confirm nor deny this report, but is not surprised that the campaign money game has already started. Panama has neither any laws regarding the amounts an individual or company can donate to a campaign nor any reporting requirements for contributions that are received.

Billy Ford Dishes Discusses Politics

¶7. (C) "I have been asked to consider running for president of the Patriotic Union Party," former VP Guillermo "Billy" Ford confirmed for POLCOUNS July 11, "but I do not want to split the party." Ford asserted that current co-presidents Anibal Galindo and Jose Raul Mulino had each separately pitched Ford to run as president of the party, though both had also wavered as to whether they themselves would run. (Note: Galindo was president of the Liberal National Party (PLN), and Mulino was president of Solidarity; both parties united to form UP.) Ford said that recently, Galindo told him that he was going to back out of the race and that he believed Mulino would too. Mulino, however, told Ford that he had decided to run. Ultimately, Ford said he did not want to split the party between those members who used to belong to Solidarity and those were National Liberals.

¶8. (C) Turning to candidates for President of Panama, Ford reiterated that he had spoken with UP patriarch -- and uncle to First VP and FM Samuel Lewis and father-in-law to presidential aspirant Alberto Vallarino -- Samuel "Don Sammy" Lewis Galindo regarding any effort to have UP align itself with the PRD. "I will resign from the party if it aligns itself with the PRD. I cannot go there," Ford said he told Don Sammy. Ford said that Don Sammy, for his part, said he would support his nephew should he win the PRD presidential nomination, but would not seek to bring UP into alliance with the PRD. If Lewis were the PRD's presidential candidate, Ford said, Mulino would contemplate an alliance with the PRD if it brought UP into government and Mulino into a vice presidency. Conversely, if Vallarino were the Panamenista Party presidential nominee, Ford said, UP would easily enter into alliance with the Panamenistas. Former President Mireya "Moscoso told me that wants to see Vallarino as the next president of Panama," Ford told POLCOUNS. Acknowledging that Moscoso was also reaching out to former President Guillermo Endara and behind former Panamenista Party President Marco Ameglio's drive for the presidency, Ford said he believed Moscoso, who he characterized as a tough as nails politician who wielded significant influence to shape the opposition, was behind Vallarino. "End of the day though, all of this means nothing. Endara is right when he says that parties do not matter, candidates matter. We need to find a good candidate," Ford said. "We also need to be unified, or we will lose to the PRD." Regarding his own aspirations for higher office, Ford added, "I told Endara that I do not want to be his vice presidential running mate. I have done that job; I am too old and tired for that. Taking the helm of the Patriotic Union party would be enough for me."

¶9. (C) Comment: Ford clearly aspires to take the helm of UP and believes that he can steer this party of some 120,000 members away from the PRD. Ford's strategy to lay back and wait to be recruited is wise as Ford can rise to the top as the party unifier. His interest in Vallarino being the Panamenista presidential candidate serves Ford's interest as it would clear the way for an easy UP-Panamenista union. Interestingly, Ford had little to say about his former running mate Endara, even when asked who the most eligible presidential candidates were.

New PTJ Chief Has Six Months to Clean House

¶10. (SBU) Newly appointed Technical Judicial Police (PTJ)

Director Jose Ayu Prado told the Panama Post that he would only have six months on the job and was unlikely to be re-appointed by Attorney General Ana Matilda Gomez. Regarding the future of the PTJ and whether it would be disbanded with most elements being absorbed into the Panamanian National Police (PNP), Ayu Prado said that the PTJ reform legislation was basically on "stand-by." The Attorney General's Office and the Torrijos Administration had agreed to a wait-and-see period until roughly mid-September during which Ayu Prado would need to make progress on weeding out corruption in the PTJ and make more progress on the investigation of major crimes, particularly narcotics and homicide cases. Ayu Prado said he traced the PTJ's internal problems to weak integrity controls and poor management.

¶11. (SBU) Comment: The Panama Post agrees with Ayu Prado's assessment that poor management and internal controls need to be addressed. Post's NAS is already engaged to develop strategies for supporting Ayu Prado in these endeavors.

Ritter: GOP's RCTV Statement Price to Avoid Chavez

¶12. (C) "Panama's statement that Chavez's decision to close RCTV was a sovereign decision and that Panama would not interfere in Venezuela's internal affairs was the price we paid to ensure Chavez would not attend the OASGA," Presidential foreign policy advisor Jorge Ritter confessed to POLCOUNS on July 12. Ritter said that Panama did not negotiate this outcome with Venezuela. While Panama sent emissaries to Caracas to pass the message that Panama did not want a prospective visit by Chavez to the OASGA to rain on Panama's parade, Ritter said that the decision to make the statement -- which Ritter said he opposed -- was a unilateral decision essentially to offer a sop to Venezuela. Ritter said the Torrijos Administration was surprised at the level of domestic backlash to this announcement.

¶13. (C) Comment: Ritter's explanation demonstrates the lengths to which Panama, in its efforts to pursue "balanced, friendly" relations with all countries that seek friendly relations with it, will go to avoid a ruckus, especially when it is hosting the big shindig.

Alarcon and Castillo Discuss Response to Comfort

¶14. (C) During Panamanian National Assembly's third and final debate on the U.S.-Panama Trade Promotion Agreement (TPA), Cuban National Assembly President Ricardo Alarcon and Panamanian National Assembly President Elias Castillo were upstairs discussing ways to respond to the visit of the U.S. Navy Hospital Ship COMFORT, Panamenista Deputy Francisco "Pancho" Aleman told POLCOUNS on July 13. Aleman stated that he was a member of the Cuba-Panama inter-parliamentary exchange so that he could keep tabs on Cuban activities. Castillo was accompanied by PRD Deputies Pedro Miguel Gonzalez and Hector Aleman. Castillo and Alarcon discussed how best to respond to the Comfort's visit including by bringing more Cuban doctors to Panama, striving to do more surgeries and treatments, and advancing a more aggressive propaganda campaign. Aleman said he was stunned that Alarcon was upstairs in the National Assembly building while downstairs in the chamber deputies were preparing to approve ratification of the U.S.-Panama TPA, the most significant achievement in the bilateral relationship since the signing thirty years ago of the Panama Canal treaties.

¶15. (C) Comment: Castillo, Gonzalez, and Aleman have a known affinity for Cuban activities in Panama such as the Operation Miracle (Operacion Milagro) eye surgery effort. This huddle to discuss a response to the Comfort only serves as another example to underscore the success of the Comfort's visit.

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